

To be sure, the union and the unit of employers had in almost every case been earlier associated in collective bargaining but the collective bargaining relationship is organizationally a periodic meeting only; the welfare and pension fund mechanisms have become separate, substantial and going enterprises in their own right. More specifically "the administration of a pension plan involves day-to-day functions such as processing applications, determining eligibility, awarding benefits and interpreting the plan, as well as financial administration, including the selection of medium of funding, adoption of funding methods, receiving contributions, investments, payment of benefits, and so forth," while some or all of these administrative functions may be contracted out to an insurance company, bank, service organization, union, employer, or salaried administrative staff. In the largest number of cases the fund performs virtually all of these functions.¹⁴⁰

Some unions involved in pooled plans complement the fund organization with their own internal organization. The ILG's welfare and health benefits department "coordinates the many health and welfare programs of the ILGWU" and "administers the ILGWU national retirement fund."¹⁴¹ The welfare funds control department conducts "audits of firms which make contributions" to the funds. This is the policing function which the union must be mainly responsible for to see that employers contribute the full amount of their contractual obligation. An investment department implements the ILGWU policy "to invest the reserves of its funds under terms that insure maximum safety, highest return and most desirable social effects."¹⁴²

Few unions have as elaborate an infrastructure to carry on their pension interests. But the sizable "pension industry" consisting of independent consultants, actuaries and administrators serves as the virtual equivalent of a pension staff for many unions exercising, because of their independent status, a larger influence perhaps on union policy than an internal staff might otherwise.¹⁴³

The admission of the employer to the governing of the pooled fund was probably forced on the unions and possibly on many employers as well by the Taft-Hartley law which, reacting to the mineworkers' original proposal for sole union control, requires equal representation of employers on any fund to which an employer contributes. But equal representation is not the same as equal power. The union is clearly the dominant partner in the pooled fund enterprise. This is not because the employer representatives are necessarily inactive. The situation is that "many employers who are not also employer representatives do not identify themselves with pension affairs beyond making the contributions required of them."¹⁴⁴ More importantly only the union has the marketwide power, interest and capabilities to oversee and maintain the fund as a going concern. In short, it is extremely unlikely that the employees in the pooled fund industries would be covered by pensions without the intervention of the unions.

The employee composition of the pension unit is most commonly a craft or industry, in a specific city or metropolitan area; a construction industry craft is an example of the former and retail trades or

¹⁴⁰ RLS, *Multiemployer Pension Plans*, op. cit., pp. 16, 123.

¹⁴¹ ILGWU, *Proceedings*, 1965, p. 177.

¹⁴² *Ibid.*, p. 28.

¹⁴³ McNulty, *Decision and Influence Processes*, etc., op. cit., chs. VI, VII, and VIII.

¹⁴⁴ *Ibid.*, p. 55.